

Minority interests in competitors

A research report prepared by DotEcon Ltd

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FOREWORD BY AMELIA FLETCHER

This report was commissioned by the Office of Fair Trading (OFT) from DotEcon. They were asked to review the potential implications to competition from minority share ownerships, interlocking directorships, loans to competitors and contracts for differences. They were also asked to develop an economic framework for the analysis of the competition effects of these instruments.

It covers several topics of interest for competition policy including the use of Contract for Differences. Contract for Differences (or derivative contracts in general) has never come up for debate before in competition policy circles and raises particularly interesting issues. The paper also clearly lays out the more recognisable issues of interlocking directorships and minority share ownership. All of these are areas of interest to us, and others, and we hope this report furthers discussion here.

The views of this paper are those of DotEcon and do not necessarily reflect the views of the OFT nor the legal position under existing competition or consumer law which the OFT applies in exercise of its enforcement functions.

This report is part of the OFT's Economic Discussion Paper series. If you would like to comment on the paper, please write to me, Amelia Fletcher, at the address below. The OFT welcomes suggestions for future research topics on all aspects of UK competition and consumer policy.

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